GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

STARRED QUESTION NO:300
ANSWERED ON:22.03.2017
Revival of Railway Projects
Gutha Shri Sukender Reddy

Will the Minister of RAILWAYS be pleased to state:

(a) whether certain projects have been shelved though budgetary allocations were made for them every year since their conception of projects including Nalgonda-Macherla Railway line;

(b) if so, the details thereof, zone-wise and the reasons therefor; and

(c) whether the Government has assessed the reasons for allocating funds year after year the above projects in case the projects were not viable?

Answer

MINISTER OF RAILWAYS

(SHRI SURESH PRABHAKAR PRABHU)

(a) to (c): A Statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF STARRED QUESTION NO. 300 BY SHRI GUTHA SUKENDER REDDY TO BE ANSWERED IN LOK SABHA ON 22.03.2017 REGARDING REVIVAL OF RAILWAY PROJECTS

(a) to (c): None of the Railway projects sanctioned in Railway Budget has been withdrawn/shelved. Union Government is persuading the State Governments to provide land free of cost and/or to share cost for construction of these projects. Large number of railway projects are facing the situation of cost overrun, due to delay in acquisition of land, statutory clearances like forestry and wild life clearances, shifting of services, cutting of trees, construction of road over bridges and road under bridges by road maintaining agencies etc. Indian Railways is working on the alternative means of funding to accelerate project execution as detailed below:-

(i) Approaching all State Governments to form Special Purpose Vehicles (SPV) to undertake mutually identified rail infrastructure projects through Joint Venture,

(ii) Arranging additional funds by way of loan from LIC for funding throughput enhancement projects,

(iii) Requesting State Government for cost sharing alongwith provision of free land & other concessions,

(iv) Encouraging PPP (Public Private Partnership),

Macherla-Nalgonda (92 Km.) new line project in the State of Andhra Pradesh was included in Supplementary Budget 1997-98 at an abstract cost of `125.09 Crore with Rate of Return of 5.86%. Macherla is located in Andhra Pradesh and Nalgonda falls in newly created Telangana State. The latest anticipated cost of this project is `815 Crores. At the stage of Final Location Survey, issue of change of alignment was raised by public representatives and the State Government but in the meantime, a bankability study was conducted by Rail Vikas Nigam Limited and it was found that the project is financially unviable and can neither be implemented through Special Purpose Vehicle route nor through Public Private Partnership mode. As such, the project could not be taken forward. Though the project is socially desirable, the unremunerative nature of the project, huge throwforward of ongoing projects and limited overall availability of funds preclude taking up of this project further. But so far, this project is not shelved and exploration of avenues for taking up of this project is alive. For the year 2017-18 and outlay of `0.5 Crore has been proposed. Provision of fund allotment is done, to all such projects those which have been included in Rail Budget.

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